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USSR HALTS DEVELOPMENT OF HUNGARIAN HEAVY INDUSTRY,
PUSHES SPECIALIZATION OF PRODUCTION AMONG SATELLITES

FOCUSES COMINFORM INDUSTRY IN CZECHOSLOVAKIA -- Munich, Hungaria, 30 Mar 51

Contrary to glowing reports of increased production, Hungary is far behind in producing its share of arms for the USSR. A Soviet committee reportedly arrived in Hungary to test Hungarian production claims and found Hungary's industrial production seriously lacking. The report of the committee named Hungary "undependable" as a producer of Soviet war material and recommended a halt in the further expansion of Hungarian heavy industry.

The Hungarian government then received orders from Moscow to stop all construction of new shops and factories and to concentrate solely on manufacturing semifinished products at a more rapid rate than previously, through the greatest possible exploitation of existing facilities. These semifinished products will be shipped exclusively to Czechoslovakia for further processing. The order places emphasis on Hungary's production of raw materials, particularly coal.

In compliance with the order, manufacture of T-34 tanks in the Gyor Wagon Factory has been halted. Sample T-34s recently completed at the Gyor plant did not meet expectations. Airplane production in Hungary has also been curtailed, since the Hungarian planes did not meet requirements.

Abandoning of construction projects representing huge investments has caused great damage to the Hungarian economy.

Exploitation of Hungarian mines is to be intensified. Recently, returned prisoners of war and prisoners from internment camps have been used for labor in mines. Mechanization of the mines is also proceeding at a rapid rate. Mine machinery factories have been erected at the Tatabanya, Dorog, and Salgotarjan mine fields.

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REMARKS

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With conversion to production of raw materials and semifinished products, Hungary ranks lower in military importance among the Cominform countries. Hungary's factories are also no longer prime factors in aerial warfare.

This specialization of production among the Cominform countries would indicate that the USSR is preparing for immediate military action, and cannot wait for the development of entirely new industries.

HUNGARIAN HEAVY INDUSTRY GEARED FOR WAR -- Rome, Bollettino Danubiano, 5 Jan 51

The Ministry of Heavy Industry called a secret meeting of the directors of all metallurgical plants to discuss ways to spur production. The conference was held in Budapest on 20-22 December 1950.

It was decided to introduce night shifts and to subject the workers to strict military discipline. The execution of production quotas will be supervised day by day. Beginning 1 January 1951, 85 percent of the production will be for military purposes.

Plants producing optical instruments for the use of artillery will henceforth work exclusively for the General Staff.

A Soviet commission will control production at each major industrial enterprise in Hungary.

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